



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

M/047/502

Olene S. Walker
Governor

Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

July 6, 2004

Mr. Mathew L. Crockett
Pruitt, Gushee & Bachtell
36 South State Street
Beneficial Life Tower, Suite 1850
Salt lake City, UT 84111

RE: Alameda Corporation, GP 20595
Geokinetics, Inc., ML 24276A / ML 45256

RECEIVED

JUL 08 2004

DIV OF OIL GAS & MINING

Dear Mr. Crockett:

It was suggested to me that you might be able to help resolve a water issue involving your client the Alameda Corporation. Alameda Corporation currently holds grazing permit No. 20595 upon state trust lands comprising the old Geokinetics, Inc. oil shale project site leased under MLs 24276A / ML 45256 in Section 2, Township 14 South, Range 22 East, SLB&M, Uintah County.

Geokinetics drilled two water wells upon the lands in the 1980s. I understand that one of the wells was subsequently abandoned and the other well was left open and was sold to S&H Ranches. The successor in interest to S&H Ranches is the Alameda Corporation. I believe that water rights to the well are filed in the name of the Uintah Special Service District under DWR permits No. 49-1545 & No. 49-1546, but that Alameda Ranch is presently using the well and accessing the water rights.

Geokinetics, Inc. is presently seeking a release of its oil shale reclamation bond with the Utah Division of Oil, Gas & Mining. We are holding the oil shale lessee responsible to plug the remaining water-well borehole before the bond may be released. This presents a problem because Alameda Corporation is reportedly claiming ownership of the water well and Uintah Special Service District has filed on the water right, all without prior knowledge or consent by the Trust Lands Administration.

I am enclosing for your information a copy of a letter sent by the Trust Lands Administration on February 3, 2003 to the Alameda Corporation and others to try and sort out the problem. No reply was received from any of the parties. I am hopeful that you may be able to respond on behalf of the Alameda Corporation. Any information or suggestions that you may offer regarding the position of your client on this issue will be most appreciated. I intend to move forward with a decision on plugging the well within the next two weeks and look forward to hearing from you.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Paul Baker, DOGM
Mickey Schott, Geokinetics, Inc. ✓
Dawn Soper

Utah!

Where ideas connect™